



WAL ★ MART STORES, INC.

575 7<sup>th</sup> Street, NW

Washington, DC 20004-1601

PHONE: 202-737-6048

FAX: 202-737-6069

---

***ERIK WINBORN***

***Vice President National Government Relations***

July 21, 2004

The Honorable Michael K. Powell  
Chairman  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW  
Washington, DC 20554

Re: ***AT&T Corp. Petition for Declaratory Ruling Regarding Enhanced  
Prepaid Card Services, WC Docket No. 03-133***

Dear Chairman Powell:

On behalf of Wal-Mart Stores, Inc., I am writing to you concerning the referenced AT&T petition that seeks confirmation that enhanced prepaid card service is an interstate information service. As a general matter, Wal-Mart does not participate in regulatory proceedings pending before the Commission. However, due to the fact that a ruling against AT&T's petition will have a significant and adverse impact on the millions of consumers who use these cards and the retailers who distribute them, we are compelled to share our significant concerns with you.

Wal-Mart Stores, Inc. operates Wal-Mart Stores, Supercenters, Neighborhood Markets and SAM's CLUBS in all 50 states and Puerto Rico. Internationally, the company operates in Canada, China, Mexico, Brazil, Germany, United Kingdom, Argentina, and South Korea. We employ 1.2 million associates in the United States and over 330,000 internationally. Over 100 million customers visit our stores in the United States each week. We have built our company on the commitment to provide consumers the highest quality goods and services at the lowest possible prices. Consumers, particularly price and value conscious shoppers, have come to rely on our living up to this standard. In keeping with this commitment, we are a major

retailer of AT&T's prepaid cards, which are sold and distributed throughout our stores nationwide. These cards permit users reliably to communicate with their family and friends at the lowest possible cost, and provide Wal-Mart with the benefit of valuable recorded advertisements that are retrieved and played each and every time a cardholder places a call.

Through our partnership with AT&T, our Wal-Marts, SAM'S Clubs, and Neighborhood Markets sell prepaid cards to our customers for as low as three cents per minute. These low per-minute rates, and the fact that these prepaid cards contain no monthly service fees or other surcharges that are commonly assessed for traditional telephone subscription services, make these cards especially appealing to our customers. Wal-Mart firmly believes that by selling AT&T prepaid cards we are providing a valuable public service to consumers, many of whom are serving in our armed forces, are seniors, or are lower-income customers.

Any increase in the cost of providing these services – either in the form of higher access charges or the assessment of universal service payments – would disrupt this business. It would undermine the value of our service to our customers and harm the many consumers who purchase prepaid calling cards and have come to rely on the low rates, reliability, and convenience that these cards offer.

I respectfully urge you to take no action that will change industry practices related to these prepaid cards or otherwise cause the cost of these cards to increase in any way.

Thank you for your consideration.

Sincerely,

cc: Commissioner Abernathy  
Commissioner Adelstein  
Commissioner Copps  
Commissioner Martin